

**CITY OF BRENTWOOD
POLICE AND FIREFIGHTERS' PENSION FUND
BOARD OF TRUSTEES MEETING MINUTES
SEPTEMBER 24, 2013**

Police Chief Disbennett called the Pension Board meeting to order at 10:43am.

ROLL CALL:

Deputy Clerk Pittman proceeded with attendance.

Board Members Present: Mayor Kelly (11:00am), Police Chief Disbennett, Fire Chief Jury, Firefighter Niemeyer, Police Officer Retzlaff, Treasurer Reynders

Absent: Alderman Wynn.

Others Present: City Clerk/Administrator Bola Akande; Deputy City Clerk Octavia Pittman; Legal Advisor Larry Sewell, Armstrong Teasdale; Investment Consultant Patti Haffner, ACG Consultants, and Secretary Gina Jarvis.

CONSIDERATION AND APPROVAL OF MINUTES

Pension Board Meeting June 11, 2013

Pension Board Meeting June 25, 2013

Pension Board Meeting July 23, 2013

Treasurer Reynders made a motion to approve the meeting minutes listed above as submitted. Motion seconded by Police Officer Retzlaff. Unanimous vote in favor taken. **MOTION PASSED.**

PENSION FUND REPORT – PRELIMINARY AS OF AUGUST 31, 2013 – GINA JARVIS, BOARD SECRETARY

Secretary Jarvis presented an overview of the pension fund as of August 31st. She noted that there has been one retirement since July 31st and that another retirement is scheduled for November 22nd. There will be new hires later in this year in the fire department.

Secretary Jarvis said the Board of Aldermen is preparing to set the property tax rates for the next year. Rates for the pension fund are now and their ceilings. Consequently, there may be a decrease in tax revenue next year because the assessed property values in the City have declined. There was a discussion regarding historical rates and it was agreed that it is not necessary to have the “tax rate” listed in the pension plan. Instead, a general reference can be made to the authorized tax as the source of funding for the Plan. In connection with planning for the next year, a review will be conducted of the current tax rates to ensure the Plan is receiving maximum revenues.

UNFINISHED BUSINESS

Adoption of Investment Policy

A discussion was held regarding the proposed policy and rebalancing when the Board does not meet. Language was included authorizing the Finance Director rebalance, after conferring with the Investment Consultant, when she feels it is necessary to rebalance and the Board is not meeting. This also provides clarity for auditing purposes. Fire Chief Jury made a motion to adopt the investment policy as written. Motion seconded by Police Officer Retzlaff. **ROLL CALL:** Police Chief Disbennett – yes; Fire Chief Jury – yes; Fire Fighter Niemeyer – yes; Treasurer Reynders – yes; Police Officer Retzlaff – yes; Mayor Kelly – yes; Alderman Wynn – absent. **MOTION PASSED.**

NEW BUSINESS

Market Update

Investment Consultant Haffner gave the investment report. The transition of managers is almost complete. Currently, she is waiting for the capital call for real estate fund which should take place towards the end of the year. All other managers are in place. The large cap fund is still constitutes 35% of the portfolio. After the real estate investment is made, it will be reduced to 25% and the real estate fund will make up 10% of the portfolio. She is comfortable in keep cash available in the amount a million dollars. Patti Haffner also announced the opportunity move from the current share class in the Pioneer Fund to an institutional share class, reducing the expense ratio from 73 basis points to 60 basis points. Fire Chief Jury made a motion to approve the transfer of share class. Motion seconded by Treasurer Reynders. **ROLL CALL:** Police Chief Disbennett – yes; Fire Chief Jury – yes; Fire Fighter Niemeyer – yes; Treasurer Reynders – yes; Police Officer Retzlaff – yes; Mayor Kelly – yes; Alderman Wynn – absent. **MOTION PASSED.**

A discussion was also held regarding manager performance and quarterly reports will be distributed in the future showing performance of the funds relative to their benchmarked return objectives.

Plan Restructuring Update

Attorney Sewell explained that the Plan, unlike many government plans, is qualified under the Internal Revenue Code.. He also explained that is important for the Plan to be qualified in order for employee contributions to be made on a pre tax basis. Plans are required by law to be periodically amend and restated to incorporate changes in the laws and regulations governing qualified plans. All government plans must be updated and filed with the Internal Revenue Service for approval January 31, 2014. This will not have be done again until January 31, 2019. Attorney Sewell explained that the Board must approve the revise plan and send it to the Board of Aldermen for approval by adopting an ordinance contain the changes.

Discussions were held regarding proposed changes:

Mr. Sewell distributed memorandums he prepared describing the changes in the draft along with certain questions he had regarding the design of the Plan. Mr. Sewell was asked to make the following changes in the draft:

- Provide for the restoration of service credit if a rehired participant is rehired within five years of the initial separation and he or she repays the amount of his or accumulated contributions with interest within two months of being rehired.

- Instead specifying tax rates, just reference the tax authorized to fund the Plan.
- Provide for a Trustee who is a member of the Board of Aldermen who is appointed by the Mayor with the approval of the Board of Aldermen.
- Require a participant be married for at least twelve months before his or her spouse receives death benefits except in the case of a duty disability.

A brief discussion was held regarding the bond for the Treasurer should be covered under the city blanket bond.

The next meeting is scheduled for 11/13 @ 8:30 to discuss COLA and Plan review.

ADJOURNMENT

Police Officer Retzlaff made a motion to adjourn the meeting at 12:40 pm. Motion seconded by Police Chief Disbennett. Unanimous vote in favor taken by all Trustees present; **MOTION PASSED.**

Approved as amended the 12th day of November, 2013.

Attest:

Gina Jarvis/Secretary